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## FUTURE PLANS AND USE OF PROCEEDS

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### BUSINESS OBJECTIVES AND STRATEGIES

Please refer to the section headed “Business — Business strategies” in this prospectus for a detailed description of our business objectives and strategies.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Share Offer of approximately RMB80.0 million (equivalent to approximately HK\$88.5 million) after deducting underwriting commissions and other estimated expense paid and payable by us in relation to the Share Offer without deducting any additional discretionary incentive fee assuming an Offer Price of HK\$1.06 per Share, being the mid-point of the indicative Offer Price range between HK\$0.90 and HK\$1.22 per Share. We intend to use the net proceeds from the Share Offer for the following purposes and in the amounts set out below:

- (a) approximately RMB65.5 million (equivalent to approximately HK\$72.6 million), representing approximately 81.9% of the net proceeds from the Share Offer, together with our internal resources is expected to be used for achieving greater scale and capacity and furthering our reach. The intended application of this portion of the net proceeds is primarily as follows:
  - (i) approximately RMB37.6 million (equivalent to approximately HK\$41.7 million), representing approximately 47.0% of the net proceeds from the Share Offer, together with our internal resources is expected to be used for setting up new service outlets in the PRC;
    - approximately RMB13.0 million (equivalent to approximately HK\$14.4 million), representing approximately 16.2% of the net proceeds from the Share Offer, is expected to be used for purchasing equipment and office utilities. Such equipment includes automatic weighing and dimension measurement systems, automatic sorting systems, security check and scanning machines and transportation machines and vehicles;
    - approximately RMB7.9 million (equivalent to approximately HK\$8.8 million), representing approximately 9.9% of the net proceeds from the Share Offer, is expected to be used for leasing service outlet premises and renovation; and

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- approximately RMB16.7 million (equivalent to approximately HK\$18.5 million), representing approximately 20.9% of the net proceeds from the Share Offer, is expected to be used for hiring staff including service outlet managers, operational staff and delivery staff;
- (ii) approximately RMB27.9 million (equivalent to approximately HK\$30.9 million), representing approximately 34.9% of the net proceeds from the Share Offer, is expected to be used for expanding and upgrading our existing service outlets in the PRC;
- approximately RMB13.3 million (equivalent to approximately HK\$14.7 million), representing approximately 16.6% of the net proceeds from the Share Offer, is expected to be used for purchasing additional/replacing existing equipment and office utilities. Such equipment includes automatic weighing and dimension measurement systems, automatic sorting systems, security check and scanning machines and transportation machines and vehicles;
  - approximately RMB5.7 million (equivalent to approximately HK\$6.3 million), representing approximately 7.1% of the net proceeds from the Share Offer, is expected to be used for leasing additional workspace and renovation; and
  - approximately RMB8.9 million (equivalent to approximately HK\$9.9 million), representing approximately 11.1% of the net proceeds from the Share Offer, is expected to be used for hiring additional staff including service outlet managers, operational staff and delivery staff;
- (b) approximately RMB14.4 million (equivalent to approximately HK\$15.8 million), representing approximately 18.0% of the net proceeds from the Share Offer, is expected to be used for investing in and upgrading our information technology systems; and
- (i) approximately RMB3.0 million (equivalent to approximately HK\$3.3 million), representing approximately 3.8% of the net proceeds from the Share Offer, is expected to be used for developing an integrated information technology systems that serves the entire operation line and value chain of the operation of our Group. The system links all work processes from parcel acceptance, domestic

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transshipment, international linehaul to last-mile delivery. It will integrate the financial system, the operation system and customer service system to enhance efficiency of our Group's operation;

(ii) approximately RMB11.4 million (equivalent to approximately HK\$12.5 million), representing approximately 14.2% of the net proceeds from the Share Offer, is expected to be used for hiring staff including information technology manager, system development staff and system maintenance staff;

(c) approximately RMB0.1 million (equivalent to approximately HK\$0.1 million), representing approximately 0.1% of the net proceeds from the Share Offer, is expected to be used as working capital and general corporate purposes.

For the period from the Latest Practicable Date to 30 June 2025, our Group's net proceeds under the Share Offer of approximately RMB80.0 million (equivalent to approximately HK\$88.5 million) based on an Offer Price of HK\$1.06 per Share (being the mid-point of the indicative Offer Price range between HK\$0.90 and HK\$1.22 per Share), assuming that the Over-allotment Option is not exercised, will be used as follows:

	For the six months ending			Total	Approximate
	30 June 2024	31 December 2024	30 June 2025		percentage of the
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	%
<b>Achieving greater scale and further our reach</b>					
— Setting up new service outlets in the PRC . . .	10.6	15.2	11.8	37.6	47.0
— Expanding and upgrading our existing service outlets in the PRC . . .	11.1	7.6	9.2	27.9	34.9
<b>Invest in and upgrade our information technology systems . . . . .</b>	4.1	5.2	5.1	14.4	18.0
<b>Working capital and general corporate purposes . . . . .</b>	0.1	—	—	0.1	0.1
<b>Total . . . . .</b>	<b>25.9</b>	<b>28.0</b>	<b>26.1</b>	<b>80.0</b>	<b>100.0</b>

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If the final Offer Price is set at the highest or lowest point of the indicative Offer Price range, the net proceeds to be received by us from the Share Offer will increase or decrease by approximately RMB19.0 million (equivalent to approximately HK\$21.1 million), respectively. In such event, the net proceeds will be used in the same proportions as disclosed above irrespective of whether the Offer Price is determined at the highest or lowest of the indicative Offer Price range.

Should our Directors decide to re-allocate the intended use of proceeds to other business plans and/or new project of our Group to a material extent and/or there is to be any material modification to the use of proceeds as described above, our Group will disclose such changes in our annual report in accordance with the Listing Rules and will issue an announcement where the changes constitute inside information.

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes and to the extent permitted by applicable laws and regulations, if we are unable to effect any part of our future plans as intended, we will only deposit such net proceeds in short-term interest-bearing deposits with licensed commercial banks or authorised financial institutions (as defined under the SFO). In such event, we will also comply with the appropriate disclosure requirements under the Listing Rules. In the event that we would require additional financing apart from the net proceeds from the Share Offer for our future plans, the shortfall will be financed by our internal resources and/or bank financing, as appropriate.

### IMPLEMENTATION PLAN

	For the six months ending		
	30 June 2024	31 December 2024	30 June 2025
<b>Setting up new service outlets in the PRC . . . . .</b>	Utilising RMB10.6 million from the net proceeds and/or our internal resources for the setting up of 3 service outlets in each of Shenzhen, Chengdu and Chongqing. Expenses include equipment, renovation, rental and the staff costs to hire 60 staff, which comprise one managerial staff (for overseeing the operations of the service outlet), and 59 operational staff (for parcel operation and customs clearance)	Utilising RMB15.2 million from the net proceeds for (a) supporting the newly set up service outlets for recurring rental costs and staff costs, and (b) the setting up of 4 service outlets in each of Wenzhou, Dongguan, Guangzhou and Shenzhen. Expenses include equipment, renovation, rental and the staff cost to hire 53 staff, which comprise eight managerial staff, 32 operational staff and 13 delivery staff (for parcel acceptance)	Utilising RMB11.8 million from the net proceeds for (a) supporting the newly set up service outlets for recurring rental costs and staff costs, and (b) the setting up of 2 service outlets in each of Shanghai and Suzhou/Kunshan. Expenses include equipment, renovation, rental and the staff cost to hire 20 staff, which comprise four managerial staff, six operational staff and 10 delivery staff

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	For the six months ending		
	30 June 2024	31 December 2024	30 June 2025
<b>Expanding and upgrading our existing service outlets in the PRC . . . . .</b>	Utilising RMB11.1 million from the net proceeds for the expansion and upgrade of 5 service outlets located in Shenzhen (Baosan), Guangzhou, Dongguan, Shenzhen (Bantian) and Hong Kong. Expenses include additional equipment, renovation, rental and the staff cost to hire 33 staff, which comprise six managerial staff, 20 operational staff and seven delivery staff	Utilising RMB7.6 million from the net proceeds for (a) supporting the expanded and upgraded service outlets for recurring additional rental costs and staff costs, and (b) the expansion and upgrade of 5 service outlets located in Jiashan, Yongkang, Yuyao, Fenghua and Fuyang. Expenses include additional equipment, renovation, rental and the staff cost to hire 22 staff, which comprise five managerial staff, seven operational staff and 10 delivery staff	Utilising RMB9.2 million from the net proceeds for (a) supporting the expanded and upgraded service outlets for recurring additional rental costs and staff costs, and (b) the expansion and upgrade of 3 service outlets located in Yiwu, Jinhua and Chengdu. Expenses include additional equipment, renovation, rental and the staff cost to hire 15 staff, which comprise three managerial staff, six operational staff and six delivery staff
<b>Invest in and upgrade our information technology systems . . . . .</b>	Utilising RMB4.1 million from the net proceeds for the upgrade of the parcel pick-up system. Expenses include computer, server, database <sup>(Note)</sup> and the staff cost to hire 4 staff, which comprise managerial staff (for overseeing the operation of the system), senior and junior developers (for system development and upgrade) and test engineers (for testing and monitoring of the system)	Utilising RMB5.2 million from the net proceeds for the upgrade in the air freight management system. Expenses include computer, server, database <sup>(Note)</sup> and the staff cost to hire 6 staff, which comprise managerial staff, senior and junior developers and test engineers	Utilising RMB5.1 million from the net proceeds for the upgrade in the business and financial integration system, transportation management and unified service platform system. Expenses include computer, server, database <sup>(Note)</sup> and staff cost to hire 21 staff, which comprise managerial staff, senior and junior developers and test engineers

*Note:* The computer expenses are estimated based on quotations obtained for one desktop computer of approximately RMB12,500, and computer and software maintenance fee of approximately RMB100,000 per year. The server expenses are estimated based on quotations obtained for one server system of approximately RMB50,000, and the server maintenance fee of approximately RMB50,000 per year. The database expenses are estimate based on quotations obtained for one database system of approximately RMB20,000.

### BASES AND ASSUMPTIONS

Potential investors should note that the attainability of our Group's business objectives and strategies depends on a number of bases and assumptions, in particular:

- our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate;

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- there will be no material change in the funding requirement for each of our Group's future plans described in this prospectus from the amount as estimated by our Directors;
- there will be no material change in existing laws and regulations, or other governmental policies relating to our Group, or in the economic or market conditions in which our Group operates;
- there will be no material change in the bases or rates of taxation applicable to the activities of our Group;
- there will be no significant changes in our Group's business relationship with its existing strategic and business partners;
- there will be no changes in our Group's business relationship with its major customers and suppliers;
- there will be no change in the effectiveness of the licences, permits and qualifications obtained by our Group;
- there will be no disasters, natural, or otherwise, which would materially disrupt the businesses or operations of our Group; and
- our Group will not be materially affected by the risk factors as set out under the section headed "Risk factors" in this prospectus.

### REASONS FOR THE LISTING

Our Directors believe that our Group has strong reasons to pursue for Listing and raise capital from equity market to fund and support our business expansion:

**1. Strengthening our corporate profile, credibility and competitiveness amongst existing and potential customers, suppliers and employees**

Our Directors believe that the Listing could help strengthening our corporate profile, credibility and competitiveness, because, following the Listing, with our enhanced internal control and corporate governance practise and greater transparency on our Group's financial and operational information, we could generate reassurance to our existing customers, freight forwarder business partners and suppliers, and strengthen our competitiveness among other logistics solutions providers.

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We strive to achieve high standards of corporate governance and to promote transparency when our Company is listed on the Stock Exchange. With more exposure, higher corporate transparency and higher level of public scrutiny, we believe our Group can deliver greater assurance and credibility to all our existing and potential customers, and suppliers, hence become more competitive in the industry in attracting more business opportunities.

In addition, we believe that a listing status will create a higher level of job security for our employees, hence strengthening their morale at work and our ability to retain our staff. We believe that a loyal team of well-trained and experienced workforce will improve efficiency of our day-to-day operations to the benefit of our long-term development and competitiveness. Moreover, we believe that a listing status will increase our ability to attract committed and experienced personnel to join our Group, which is favourable to our future expansion.

### **2. Providing sufficient funds for the implementation of our future plans**

The net proceeds from the Share Offer will provide financial resources for our Group to facilitate the implementation of our business strategies and future plans as set out in the section headed “Business — Business strategies” in this prospectus. Our Directors consider that the capital raised through the Share Offer would strengthen our Group’s cash flow position, which in turn will enable our Group to cope with future business expansion.

### **3. Access to the capital market**

External funding including equity and debt financing is essential in achieving sustainable growth of our business and the implementation of our business strategies and future plans. Whilst our Group was able to expand our business using funds generated from operations and borrowings during the Track Record Period and had been able to repay loans when they fell due in the past, the Listing will provide a fund-raising platform for our Group, thereby enabling us to raise the capital required to finance our future growth and expansion. Our Directors are of the view that the Listing represents a good opportunity for our Group to tap into the capital market which provides a more cost effective fund-raising platform to assist our actual and practical needs for our future business development plan and further strengthen our competitiveness.

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### **4. Retain our experienced talents and attract new talents**

Our Directors believe that a listing status allows our Group to better attract talented and experienced management, technical professionals and reputable content creators to join or collaborate with our Group and further improve the competitiveness of our Group through the knowledge, experience and high quality contents that these professionals bring along.

### **5. Diversifying shareholder base and enhancing liquidity in trading of our Shares**

The Listing will provide liquidity to and create a market for the trading of our Shares which will be freely traded on the Stock Exchange when compared to the limited liquidity of shares that are privately held before the Listing. The highly liquid Hong Kong stock market allows us to expand and diversify our capital base and shareholders base as institutional funds and retail investors in Hong Kong can participate in the equity of our Company, through which the true value of our Group can also be reflected.